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HOUSE BILL 287

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Mimi Stewart

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AN ACT

RELATING TO EDUCATIONAL RETIREMENT; INCREASING BENEFITS FOR
FUTURE RETIREES; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-11-30 NMSA 1978 (being Laws 1967,
Chapter 16, Section 153, as amended) is amended to read:

"22-11-30. RETIREMENT BENEFITS. --

A. Retirement benefits for a member retired
pursuant to the Educational Retirement Act on or before
June 30, 1967 shall be paid monthly and shall be one-twelfth of
a sum equal to one and one-half percent of the first four
thousand dollars (\$4,000) of the member's average annual salary
and one percent of the remainder of the member's average annual
salary multiplied by the number of years of the member's total
service credit.

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1 B. Retirement benefits for a member retired
2 pursuant to the Educational Retirement Act on or after July 1,
3 1967 but on or before June 30, 1971 shall be paid monthly and
4 shall be one-twelfth of a sum equal to one and one-half percent
5 of the first six thousand six hundred dollars (\$6,600) of the
6 member's average annual salary and one percent of the remainder
7 of the member's average annual salary multiplied by the number
8 of years of the member's total service credit.

9 C. Retirement benefits for a member retired
10 pursuant to the Educational Retirement Act on or after July 1,
11 1971 but on or before June 30, 1974 shall be paid monthly and
12 shall be one-twelfth of a sum equal to one and one-half percent
13 of the member's average annual salary multiplied by the number
14 of years of the member's total service credit.

15 D. Retirement benefits for a member retired
16 pursuant to the Educational Retirement Act on or before June
17 30, 1974 but returning to employment on or after July 1, 1974
18 for a cumulation of one or more years shall be computed
19 pursuant to Subsection E of this section. Retirement benefits
20 for a member retired pursuant to the Educational Retirement Act
21 on or before June 30, 1974 but returning to employment on or
22 after July 1, 1974 for a cumulation of less than one year shall
23 be computed pursuant to Subsection A of this section if his
24 date of last retirement was on or before June 30, 1967 or
25 pursuant to Subsection B of this section if his date of last

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1 retirement was on or after July 1, 1967 but not later than June
2 30, 1971 or pursuant to Subsection C of this section if his
3 date of last retirement was on or after July 1, 1971 but not
4 later than June 30, 1974.

5 E. Retirement benefits for a member age sixty or
6 over, retired pursuant to the Educational Retirement Act on or
7 after July 1, 1974 but not later than June 30, 1987, shall be
8 paid monthly and shall be one-twelfth of a sum equal to:

9 (1) one and one-half percent of the member's
10 average annual salary multiplied by the number of years of
11 service credit for:

12 (a) prior employment; and

13 (b) allowed service credit for service
14 performed prior to July 1, 1957, except United States military
15 service credit purchased pursuant to Paragraph (3) of
16 Subsection A of Section 22-11-34 NMSA 1978; plus

17 (2) two percent of the member's average annual
18 salary multiplied by the number of years of service credit for:

19 (a) contributory employment;

20 (b) allowed service credit for service
21 performed after July 1, 1957; and

22 (c) United States military service
23 credit for service performed prior to July 1, 1957 and
24 purchased pursuant to Paragraph (3) of Subsection A of Section
25 22-11-34 NMSA 1978.

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1 F. Retirement benefits for a member age sixty or
2 over, retired pursuant to the Educational Retirement Act on or
3 after July 1, 1987 but not later than June 30, 1991, shall be
4 paid monthly and shall be one-twelfth of a sum equal to two and
5 fifteen hundredths percent of the member's average annual
6 salary multiplied by the number of years of the member's total
7 service credit; provided that this subsection shall not apply
8 to any member who was retired in any of the four quarters
9 ending on June 30, 1987 without having accumulated not less
10 than 1.0 years earned service credit after June 30, 1987.

11 G. Retirement benefits for a member age sixty or
12 over, retired pursuant to the Educational Retirement Act on or
13 after July 1, 1991, but not later than June 30, 2005, shall be
14 paid monthly and shall be one-twelfth of a sum equal to two and
15 thirty-five hundredths percent of the member's average annual
16 salary multiplied by the number of years of the member's total
17 service credit; provided that this subsection shall not apply
18 to any member who was retired in any of the four consecutive
19 quarters ending on June 30, 1991 without having accumulated at
20 least one year earned service credit beginning on or after July
21 1, 1991.

22 H. Retirement benefits for a member age sixty or
23 over, who retires pursuant to the Educational Retirement Act on
24 or after July 1, 2005, shall be paid monthly and shall be one-
25 twelfth of a sum equal to the following percentage of the

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1 member's average annual salary multiplied by the number of
2 years of the member's total service credit:

3 (1) for a member who retires no later than
4 June 30, 2006, two and four hundred seventy-five thousandths
5 percent; provided that this paragraph shall not apply to any
6 member who was retired in any of the four consecutive quarters
7 ending on June 30, 2005 without having accumulated at least one
8 year of earned service beginning on or after July 1, 2005;

9 (2) for a member who retires on or after July
10 1, 2006, but no later than June 30, 2007, two and six tenths
11 percent; provided that this paragraph shall not apply to any
12 member who was retired in any of the four consecutive quarters
13 ending on June 30, 2006 without having accumulated at least one
14 year of earned service beginning on or after July 1, 2006;

15 (3) for a member who retires on or after July
16 1, 2007, but no later than June 30, 2008, two and seven hundred
17 twenty-five thousandths percent; provided that this paragraph
18 shall not apply to any member who was retired in any of the
19 four consecutive quarters ending on June 30, 2007 without
20 having accumulated at least one year of earned service
21 beginning on or after July 1, 2007;

22 (4) for a member who retires on or after July
23 1, 2008, but no later than June 30, 2009, two and eighty-five
24 hundredths percent; provided that this paragraph shall not
25 apply to any member who was retired in any of the four

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1 consecutive quarters ending on June 30, 2008 without having
2 accumulated at least one year of earned service beginning on or
3 after July 1, 2008; and

4 (5) for a member who retires on or after July
5 1, 2009, three percent; provided that this paragraph shall not
6 apply to any member who was retired in any of the four
7 consecutive quarters ending on June 30, 2009 without having
8 accumulated at least one year of earned service beginning on or
9 after July 1, 2009.

10 ~~[H.]~~ I. A member's average annual salary, pursuant
11 to this section, shall be computed on the basis of the last
12 five years for which contribution was made or upon the basis of
13 any consecutive five years for which contribution was made by
14 the member, whichever is higher. Unless otherwise required by
15 the provisions of the Internal Revenue Code of 1986, members
16 shall begin receiving retirement benefits by age seventy and
17 six months, or upon termination of employment, whichever occurs
18 later. "

19 Section 2. APPROPRIATION. --Forty-five million one hundred
20 three thousand five hundred dollars (\$45,103,500) is
21 appropriated from the general fund to the educational
22 retirement fund for expenditure in fiscal year 2006 and
23 subsequent fiscal years for the purpose of carrying out the
24 provisions of the Educational Retirement Act. Any unexpended
25 or unencumbered balance remaining at the end of a fiscal year

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shall not revert.